

**VILLAGE OF SOUTH BARRINGTON  
MINUTES OF THE FINANCE COMMITTEE MEETING  
SEPTEMBER 10, 2018  
2:00 PM**

**CALL TO ORDER**

The meeting was called to order at 2:01 pm by Committee Chairman Stagno.

**ROLL CALL**

Members Present: Committee Chairman Stagno and Trustee Joseph Abbate.

Members Absent: Trustee Bernard Kerman.

Others present: Mayor Paula McCombie, Trustee Guranovich, Treasurer Michelle Bodie, Ms. Jamie Wilkey, Partner Lauterbach & Amen, LLP and Administrator Bob Palmer.

**PUBLIC COMMENT**

No public present for comment.

**APPROVAL OF MINUTES**

Trustee Abbate made a Motion to approve the Minutes of August 8, 2018. Chairman Stagno seconded the motion. By unanimous voice vote, the Motion passed.

**AGENDA ITEMS**

1. Presentation of Annual Financial Report for the Fiscal Year Ended April 30, 2018 and the Management Letter by Lauterbach & Amen, LLP – Jamie Wilkey, Partner

Treasurer Bodie introduced Jamie Wilkey, Partner with Lauterbach & Amen, LLP who presented the Annual Financial Report for Fiscal Year Ended April 30, 2018 and the Management Letter. Ms. Wilkey began her presentation by noting that it was not necessary to make a journal entry this year which is quite exceptional and a credit to our Treasurer/Finance Director, Michell Bodie. Wilkey then guided the committee through the Financial Report document. Wilkey reviewed the Management Discussion and Analysis portion of the report and then the Basic Financial Statements noting that they have produced an Independent Auditors Report prepared within six months of the close of the fiscal year. Lauterbach & Amen (L&A) have given their unmodified opinion in regard to the Village's finances, noting that the statements are free of material misstatement. L&A have reviewed the Village's internal controls, policies and procedures, work flow and checks and balances in the systems established and have found no discrepancies. In regard to the Management Discussion and Analysis (MD&A) section, Wilkey noted that this section is prepared by management and is essentially the Executive Summary of the document. Wilkey noted that the Village has a surplus for the year in operating funds and that the Village made significant contributions to the Police Pension Fund and to IMRF. On the revenue side, amusement taxes, income taxes and interest rates were all up. Wilkey reviewed the Water and Sewer fund with the committee. Wilkey noted that the general fund had just under a forty percent surplus (39.5%) which translates to just under five months in reserves. Noted also

were transfers to the capital fund and the road fund. Wilkey directed the committee to pages 10 and 11 of the report, noting the net change in fund balance of \$210,626. On average reserves for other similar communities is in the 4-6 month range, enough to cover a levy distribution cycle. On page 14, the Water and Sewer Utility Fund, the change in net position was noted, however without depreciation (\$546,009) the fund actually had a positive cash flow. Chairman Stagno asked for further explanation on the depreciation being applied. On pages 16 and 17, review was conducted on the Police Pension Fund and discussion ensued. On page 33, Wilkey reviewed the Capital Assets section with the committee, noting the \$733,096 in new assets and decreases due to vehicle trade-ins. On page 34, total Net Capital Assets shows \$546,009 in depreciation and resulted in Total Net Capital Assets of \$9,702,003. On page 44, IMRF was reviewed noting the Net Investment Income of \$410,532. Net Pension Liability for IMRF ended up at \$196,913. For the Police Pension Plan on page 49, Net Pension Liability ended up at \$7,177,414. The committee briefly discussed the future requirement to have the pension fund 90% funded by 2040. Chairman Stagno mentioned the problem with mortality tables and how they are constructed. On page 58, the Ending Fund Balance was noted at \$2,909,147, a reserve amount just shy of five months operating funds. Bodie briefly mentioned the topic of debt and noted that the Village has no debt. Wilkey stated that among other clients of similar size, none of them have zero debt like South Barrington. The committee then further discussed pensions. Following pension discussion, the type of audit performed was discussed. Bodie compared the audit being reviewed to that of a forensic audit and how the different types of audits delve further into more detail. The committee briefly discussed the practice by other communities to borrow funds to contribute to their pension funds. Motion was made by Trustee Abbate to send the audit report to the full Village Board for review and consideration. Second by Chairman Stagno. On a voice vote the motion carried and the audit report will be sent to the full Village Board at their next meeting. Jamie Wilkey thanked the committee for allowing her time to present the report, the committee thanked her for the presentation. Wilkey left the meeting at 3:15 PM.

## **STAFF REPORTS**

### **Mayor**

Mayor McCombie discussed various openings on Boards and Commissions. Mayor McCombie also mentioned to the committee that she would be attending a Global Climate Summit in San Francisco via an invitation through the Mayors Caucus. Other meetings coming up of interest were the IML annual conference and the Job Fair being conducted to select an AmeriCorps Volunteer for the Village through the Mayors Caucus. Mayor McCombie also gave a brief update in regard to the Plum Farm Court Case.

### **Village Administrator**

Palmer reported that the Sustainable Electric Aggregation Program is underway, with letters going out to residents last week. Palmer also mentioned the upcoming Job Fair to select an AmeriCorps Volunteer for the Village. Palmer also reported that arrangements are being made to have the Police Department Garage Floor resurfaced.

Finance Officer

Bodie brought up the subject of the pending Police Union Contract to find out if there had been any word as to it being finalized by the union. Mayor McCombie stated that there had not been any further discussion or information on where the union was on the pending contract. Bodie reported that she is preparing for the upcoming levy process.

OLD BUSINESS

No old business.

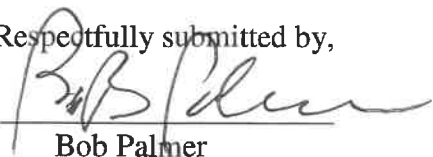
NEW BUSINESS

No new business.

ADJOURNMENT

Having no further business, Chairman Stagno asked for a Motion from the Committee to adjourn the meeting. Trustee Abbate made a motion to adjourn the meeting. Chairman Stagno seconded the motion. By unanimous voice vote, the motion passed, and the meeting was adjourned at 4:10 PM.

Respectfully submitted by,



Bob Palmer  
Village Administrator

These Minutes were approved this

1 day of October, 2018